

**Virginia Health Reform Initiative
Purchaser Taskforce Teleconference Meeting
September 21, 2010 9:00am-10:00am
MINUTES**

Public Call In: 1-877-664-7391
ID# 11299436

Welcome: Cindi Jones, Director Virginia Health Reform Initiative

For any interested parties, comments can always be sent to VHRI@governor.virginia.gov

Agenda for Meeting:

Overview of VHRI

Describe Framework for reports

Have co-chairs (Ned Massey, John Luke, Monty Dise) describe what is next step and process for October meeting

Before us is an opportunity to offer an alternative state model for Virginia's Health Reform Initiative. Going beyond federal reform and meet the needs of Virginians and contribute to the economy. Members have been asked to commit time until December 2010, at that time we will be able to identify what Virginia needs to do in order to move forward and get work accomplished.

Key Question: Where are we going and what is the end product?

Four Questions to inform report:

1. What do we know? (See charge statements and Aug 21st presentations)
2. What do we need to know? (Discussion today to determine what information and presentations are needed for October)
3. What are opportunities and challenges (Will receive information in October)
4. What choices does Virginia need to make and what is the plan in each of the six taskforce areas?

Turn over to co-chairs:

Overview of who is buying insurance:

40% Private Insurance

- 1) Overall premium growth
- 2) Contribution is also growing
- 3) Out of pocket expenses growing

40% Medicaid/Public

12% Uninsured or paying out of pocket

Question: what is the impact of healthcare spending overall on economy and jobs and how do we get these costs down?

General/High Level Overview of Reforms that will impact this Taskforce

PPACA- September 23rd first wave of reform kicks in

- Kids up to 26 can now stay on their parents plan (will decrease 12%)
- End to lifetime limits
- Automatic appeals process for certain denials
- Certain sub limits will be set

2011: MLR (accounting methodology applied to insurance companies) will be interesting to see how this changes the market

2012: 1099 reporting of business to business transactions for more than \$600.00

Flexible Spending Account cap for un-reimbursed medical will be \$2500

2014: Insurance mandates will be kicking in

Health Insurance Exchange

What insurance options will be available to small employers out and inside exchange and what criteria will be needed to help employers determine what they need to do.

A healthier purchaser of insurance helps economic boost for Commonwealth. How do we get folks to be personally responsible for their care?

At a high level we need to continue to refine what the model of future costs are likely to be.

1. Each day we see projections that point to increases of what have originally been modeled in Washington. We need to extrapolate for Virginia to the best of our ability.
2. We need to identify funding mechanism from state stand point
3. Mechanisms to drive outcomes that will lead to healthier patients and therefore lower costs
 - a. All encompassing (physicians, purchasers, employers, etc.)

General Input from Taskforce Membership:

- Don't want to duplicate efforts that are already taking place.

- Seems like there are implications where more dollars are going to be offered to employer wellness incentive programs. What are the implications for these incentives as this seems to be a good way to encourage employees to participate in health and wellness options.
- Research proves that incentives will encourage participation in wellness opportunities.
- Underwriting is flexible with personal/private plans whereas with a group policy, all general populations have the same rate.
 - Revisit healthy plans as incentive to encourage purchase. Should work with carriers to identify opportunity to revisit this type of plan within the market place.
- Group needs to look at what best models are and identify shoulders that we can stand on.

What are Information Needs/ Who can provide it:

- Tax credit vs. penalty for the 400% of FPL(schedules)
- National Association of Health Underwriters currently working on Costs per state.
- Economic impact as related to the overall reforms. Need someone/group as an outside source to provide information.

Closing:

Members: if you have further comments or ideas please feel free to send to VHRI@governor.virginia.gov

Next meeting of Virginia Health Reform Initiative Purchaser Taskforce is October 19th, 2010 9:30-12:30. All meetings at the Virginia Department of Medical Assistance Services (DMAS) 600 East Broad Street Richmond, VA 23219 in room 7a/b.

Framework: 3 hours

- 1- Talk about and receive presentations identified as needed on September 21, 2010 phone call
- 2- Public Comment (instructions to soon follow)
- 3- Co-chairs will lead discussion and will identify what should be considered by full advisory council meeting.

Thank You: co-chairs, taskforce members, George Mason University,

Adjourn -